

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

VILLA SONOMA CONDOMINIUM  
HOMEOWNERS ASSOCIATION, a Washington  
Non-Profit Corporation,

Plaintiff,

v.

ALLIED INSURANCE COMPANY OF  
AMERICA, an Ohio Corporation; ALLIED  
PROPERTY AND CASUALTY INSURANCE  
COMPANY, an Iowa Corporation; AMCO  
INSURANCE COMPANY, an Iowa Corporation;  
DEPOSITORS INSURANCE COMPANY, an  
Iowa Corporation; NATIONWIDE MUTUAL  
INSURANCE COMPANY, an Ohio Corporation;  
and DOE INSURANCE COMPANIES 1-10,

Defendants.

NO.

COMPLAINT FOR DECLARATORY RELIEF  
AND MONETARY DAMAGES

JURY DEMAND

Plaintiff the Villa Sonoma Condominium Homeowners Association (the “Association”) alleges as follows:

**I. INTRODUCTION**

1.1 This is an action for declaratory judgment and monetary damages, seeking:

(A) A declaration of the rights, duties, and liabilities of the parties with respect to certain controverted issues under insurance policies issued to the Association, respectively, by Allied Insurance Company of America, Allied Property and Casualty Insurance Company, AMCO Insurance Company, Depositors Insurance Company, Allied Mutual Insurance Company, and

Nationwide Mutual Insurance Company (collectively “Nationwide”). The Association is seeking a ruling that the Nationwide policies provide coverage for the damage at the Villa Sonoma Condominium and that the above listed insurers are liable for money damages for the cost of investigating and repairing the damage at the Villa Sonoma Condominium.

(B) Attorneys’ fees (including expert witness fees) and costs.

(C) Any other relief the Court deems just and equitable.

## **II. PARTIES AND INSURANCE CONTRACTS**

2.1 The Association. The Association is a nonprofit corporation organized under the laws of the state of Washington with its principal place of business located in Kirkland, Washington. The Association is organized under the laws of the State of Washington. The Association has the duty to maintain the common elements and any limited common elements of the Villa Sonoma Condominium for the common enjoyment of the unit owners. The Villa Sonoma Condominium consists of four buildings with fifty-five (55) residential units located Kirkland, King County, Washington.

2.2 Allied Insurance Company of America. Allied Insurance Company of America is an Ohio domiciled insurer with its principal place of business in Columbus, Ohio. On information and belief Allied Insurance Company of America sold property insurance policies to the Association. The Association is seeking coverage under all Allied Insurance Company of America policies issued to the Association or covering the Villa Sonoma Condominium at any time.

2.3 Allied Property and Casualty Insurance Company. Allied Property and Casualty Insurance Company is an Iowa domiciled insurer with its principal place of business in Des Moines, Iowa. On information and belief Allied Property and Casualty Insurance Company sold property insurance policies to the Association. The Association is seeking coverage under all Allied Property and Casualty Insurance Company policies issued to the Association or covering the Villa Sonoma Condominium at any time.

2.4 AMCO Insurance Company. AMCO Insurance Company is an Iowa domiciled insurer with its principal place of business in Des Moines, Iowa. On information and belief AMCO

Insurance Company sold property insurance policies to the Association. The Association is seeking coverage under all AMCO Insurance Company policies issued to the Association or covering the Villa Sonoma Condominium at any time.

2.5 Depositors Insurance Company. Depositors Insurance Company is an Iowa domiciled insurer with its principal place of business in Des Moines, Iowa. On information and belief Depositors Insurance Company sold property insurance policies to the Association. The Association is seeking coverage under all Depositors Insurance Company policies issued to the Association or covering the Villa Sonoma Condominium at any time.

2.6 Allied Mutual Insurance Company and Nationwide Mutual Insurance Company. On information and belief Allied Mutual Insurance Company sold property insurance policies to the Association. Effective October 1, 1998, Allied Mutual Insurance Company was merged with and into Nationwide Mutual Insurance Company. Nationwide Mutual Insurance Company is the successor by merger to Allied Mutual Insurance Company. Nationwide Mutual Insurance Company is liable for all policies issued by Allied Mutual Insurance Company. Nationwide Mutual Insurance Company is an Ohio domiciled insurer with its principal place of business in Columbus, Ohio. On information and belief, Nationwide Mutual Insurance Company also sold property insurance policies to the Association. The Association is seeking coverage under all Allied Mutual Insurance Company and Nationwide Mutual Insurance Company policies issued to the Association or covering the Villa Sonoma Condominium at any time.

2.7 Nationwide. On information and belief, Allied Insurance Company of America, Allied Property and Casualty Insurance Company, AMCO Insurance Company, Depositors Insurance Company, Allied Mutual Insurance Company, and Nationwide Mutual Insurance Company (collectively defined above as “Nationwide”) sold and issued property policies to the Association including, but not limited to, Policy Nos. ACP BPH 7503799020 (in effect from at least February 1, 2009 through February 1, 2010); ACP BPH 75133799020 (in effect from at least February 1, 2010 through February 1, 2011); and ACP BPH 7523799020 (in effect from at least February 1,

1 2011 through February 1, 2012). The Association is seeking coverage under all Nationwide  
2 policies issued to the Association or covering the Villas Sonoma Condominium at any time.

3 2.8 Doe Insurance Companies 1-10. Doe Insurance Companies 1-10 are currently unidentified  
4 entities who, on information and belief, sold insurance policies to the Association that identify the  
5 Villa Sonoma Condominium as covered property.

6 2.9 Villa Sonoma Insurers. Nationwide and Doe Insurance Companies 1-10 shall be  
7 collectively referred to as the “Villa Sonoma Insurers.”

8 2.10 Villa Sonoma Policies. The policies issued to the Association by the Villa Sonoma Insurers  
9 shall be collectively referred to as the “Villa Sonoma Policies.”

### 10 **III. JURISDICTION AND VENUE**

11 3.1 This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332  
12 (diversity jurisdiction) as the parties are completely diverse in citizenship and the amount in  
13 controversy exceeds \$75,000.

14 3.2 Venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(2) as the Villa Sonoma  
15 Insurers marketed and sold insurance to the Association in King County; a substantial part of the  
16 events giving rise to the claim, including the breach of contract, occurred in King County; and the  
17 insured condominium building is located in King County.

### 18 **IV. FACTS**

19 4.1 Incorporation by Reference. The Association re-alleges the allegations of paragraphs 1.1  
20 through 3.2, above, as if fully set forth herein.

21 4.2 Tender to Villa Sonoma Insurers. In March 2023, the Association tendered claims for  
22 insurance coverage to the Villa Sonoma Insurers for hidden damage recently discovered by  
23 Evolution Architecture (“Evolution”). The Association offered to enter into tolling agreements  
24 with the Villa Sonoma Insurers. To date, none of the Villa Sonoma Insurers have executed tolling  
25 agreements or investigated the Association’s claim. The Association understands from Evolution  
26 that the cost to repair the covered hidden water damage at the Villa Sonoma Condominium is  
substantially over the jurisdictional limit of \$75,000.

1                   **V. FIRST CLAIM AGAINST THE VILLA SONOMA INSURERS FOR**  
2                   **DECLARATORY RELIEF THAT THE VILLA SONOMA POLICIES PROVIDE**  
3                   **COVERAGE**

4 5.1     Incorporation by Reference. The Association re-alleges and incorporates by reference the  
5 allegations of paragraphs 1.1 through 4.2, above, as if fully set forth herein.

6 5.2     Declaratory Relief. The Association seeks declaratory relief from the Court in the form of  
7 determinations regarding the following disputed issues that:

8           (A)     The Villa Sonoma Policies cover the damage to weather-resistive barrier, exterior  
9 sheathing, and framing at the Villa Sonoma Condominium.

10          (B)     No exclusions, conditions, or limitations bar coverage under the Villa Sonoma  
11 Policies.

12          (C)     The loss or damage to the Villa Sonoma Condominium was incremental and  
13 progressive. New damage commenced during each year of the Villa Sonoma Policies.

14          (D)     As a result, the Villa Sonoma Policies cover the cost of investigating and repairing  
15 the weather-resistive barrier, exterior sheathing, and framing at the Villa Sonoma Condominium.

16                   **VI. PRAYER FOR RELIEF**

17           WHEREFORE, the Association prays for judgment as follows:

18 6.1     Declaratory Judgment Regarding Coverage. A declaratory judgment that the Villa Sonoma  
19 Policies provide coverage as described herein and that the Villa Sonoma Insurers are obligated to  
20 pay money damages to repair the hidden damage at the Villa Sonoma Condominium.

21 6.2     Money Damages. For money damages in an amount to be proven at trial.

22 6.3     Attorneys' Fees and Costs of Suit. For reasonable attorneys' fees (including expert fees)  
23 and costs. *See Olympic Steamship Co. v. Centennial Ins. Co.*, 117 Wn.2d 37, 811 P.2d 673 (1991),  
24 and RCW 48.30.015.

25 6.4     Other Relief. For such other and further relief as the Court deems just and equitable.

26                   **VII. DEMAND FOR JURY TRIAL**

7.1     Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the Association demands trial  
by jury in this action of all issues so triable.

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2  
3 DATED this 3rd day of March, 2023.

4 **STEIN, SUDWEEKS & STEIN, PLLC**

5 /s/ Jerry H. Stein

6 /s/ Justin D. Sudweeks

7 /s/ Daniel J. Stein

8 /s/ Cortney M. Feniello

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